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STMicroelectronics Publishes its 2012 Sustainability Report

Geneva, July 24 - STMicroelectronics, a global semiconductor leader serving customers across the spectrum of electronics applications, has announced the publication of the Company's 2012 Sustainability Report. ST's sixteenth annual Sustainability report contains comprehensive details of ST's Sustainability strategy, policies and performance during 2012 and illustrates how the Company's new Sustainability Strategy, covering its People, Products, the Environment and the Community, became increasingly embedded throughout the business to create value for all of its stakeholders.

2012 was another challenging year for the semiconductor industry, characterized by a difficult economic scenario as well as by significant structural changes in the market and in end-customer competitive dynamics. Nonetheless, **ST's Sustainability achievements in 2012 included:**

- Recycling more than 45% of all water used at its facilities worldwide;
- Increasing the percentage of green energy purchased, from 4% in 2011 to 7,4% in 2012;
- Gaining ISO 14064 certification for scope 1 and scope 2 emissions based on 2012 results for all 12 of its manufacturing sites;
- A strong focus on Supply Chain Governance and implementation of key performance indicators(KPI) throughout the entire supply chain linked to Sustainability;
- ST's responsible products¹ generated 30% of new product billings in 2012, while the Company also remained on track to meet its goal of having 100% of its new devices eco-designed by 2015;
- Releasing new technologies, including our state-of-the art 28nm Fully-Depleted Silicon-on-Insulator CMOS technology, to the R&D community, allowing universities and small businesses to gain access, via our silicon brokerage partner CMS, to advanced microelectronics technology at preferential rates to spur the development of new markets and applications.
- A new initiative to formally measure our involvement in the Community: about 400 initiatives were taken worldwide involving 42 sites in 22 countries.

¹ ST defines "responsible products" as those that reduce energy consumption and/or provide new environmental & social solutions responding to key societal challenges.

“The key to revitalizing the world’s economy and addressing its social and environmental challenges lies in the efforts of innovation-driven enterprises that are sustainable in every way – financially, socially and ecologically,” said Carlo Bozotti, President and CEO of ST. “All of us at ST are proud of what we have achieved in these areas in the 26 years since our foundation and we will continue to pursue this path, further developing our rich heritage of innovation to achieve our vision to be everywhere microelectronics makes a positive contribution to people’s lives.”

The report is considered as Communication on Progress as a signatory of the United Nations Global Compact² and meets the guidelines for the Global Reporting Initiative (GRI)³. It includes feedback and contributions from numerous external stakeholders.

The report is available as a PDF [here](#).

More information about ST’s approach to Sustainability is available [here](#).

NOTES

Sustainability achievements in 2012 included:

People

ST’s **people and organization development programs** are aligned with its strategy and business needs. In 2012, ST focused on very specific training programs to enhance the skills of its Sales & Marketing and its Research & Development people. While focusing more on leadership qualities for management levels, the Company also reinforced the way it develops individual career paths for technical people through a dedicated process. At the end of 2012, this process was deployed across 84% of the eligible sites and technical population, with the target of reaching 100% at the end of 2013. Moreover, during the first half of 2012, several hundred highly skilled employees from ST-Ericsson started to join ST R&D teams, helping to fuel growth in several key product areas.

Products

Continually enhancing its technical expertise helps ST to accelerate the development of **products and solutions** that contribute to the Company’s vision of being a key contributor wherever microelectronics make a positive and innovative contribution to people’s lives. Its internal Product Stewardship program includes product compliance, eco-design and responsible products. ST’s internal STAR Responsible Products initiative, which applies to all new products and classifies them into relevant environmental and social categories such as energy saving, healthcare, physical safety (e.g. safer cars) and digital security, identified

² The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption
More information on: <http://www.unglobalcompact.org/aboutthegc/thetenprinciples/index.html>

³ The Global Reporting Initiative (GRI) is a non-profit organization that promotes economic, environmental and social sustainability. GRI provides all companies and organizations with a comprehensive sustainability reporting framework that is widely used around the world. More information on: <https://www.globalreporting.org>

196 new products that contribute to a more sustainable world. A typical example is ST's new Masterlux™ family, particularly suited to making all kinds of lighting more efficient. The Company also remained on track to meet its goal of having 100% of its new devices eco-designed by 2015.

Environment

As to ecology, production fluctuations greatly impacted ST's use of energy, water and chemicals and affected its overall **environmental performance** in 2012. Nevertheless, the Company increased by 85% its green energy purchase and further improved its water recycling rate by 6%. All 12 of ST's manufacturing sites were certified to ISO 14064 for direct and indirect CO₂ emissions based on 2012 results and three of its Front-end manufacturing sites have now been certified to ISO 50001, the international energy management system certification.

Community

In addition to these environmental efforts, in 2012 ST reinforced its **community involvement** approach. The Company adopted the LBG⁴ methodology, allowing it to better evaluate the impact of nearly 400 initiatives taken worldwide by about 4,500 employees during the year. Young people and education remained the main focus of ST's community projects at worldwide level and the Company intends to keep on developing its community involvement in the areas of innovation and high technology, social welfare and charity, environmental involvement and economic development.

During 2012, nearly 30,000 people in developing countries benefited from ST's Digital Unify program, managed by the ST Foundation, which aims at reducing the digital divide. As a committed member of the Electronic Industry Citizenship Coalition, ST's supply chain management program implemented further controls designed to ensure that the Company does not source minerals from conflict zones. For example, ST has now certified 100% of tantalum smelters through the Conflict-Free Smelters' Protocol.

About STMicroelectronics

ST is a global leader in the semiconductor market serving customers across the spectrum of sense and power and automotive products and embedded processing solutions. From energy management and savings to trust and data security, from healthcare and wellness to smart consumer devices, in the home, car and office, at work and at play, ST is found everywhere microelectronics make a positive and innovative contribution to people's life. By getting more from technology to get more from life, ST stands for life.augmented.

In 2012, the Company's net revenues were \$8.49 billion. Further information on ST can be found at www.st.com.

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⁴ LBG – London Benchmarking Group, is a methodology used by companies worldwide to better assess the real value and impact of corporate community investment to business and society.

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